

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7058**

**BILL NUMBER:** HB 1257

**DATE PREPARED:** Mar 18, 2002

**BILL AMENDED:** Mar 14, 2002

**SUBJECT:** Indianapolis Administration.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (CCR Amended) This bill authorizes charter schools in Indianapolis that are sponsored by the mayor to do financings through the Indianapolis Bond Bank. It authorizes charter schools other than those in Indianapolis sponsored by the mayor to do financings through the State Bond Bank.

The bill also allows the Indianapolis City-County Council to negotiate with property owners the amount of payments in lieu of taxes (PILOTS) charged to properties that are partially or totally exempt from property taxation because the properties are used to provide housing for low income persons under the federal Low Income Housing Tax Credit Program. It also provides that the PILOTS may not exceed the amount of property taxes that would have been imposed if the properties were not subject to an exemption. The bill reconciles conflicts within the low income housing program property tax exemption statute.

**Effective Date:** Upon passage; July 1, 2002.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) *PILOTS*: The bill could reduce the revenue to the Housing Trust Fund in Marion county if the City-County Council and the property owner agree to a PILOT amount less than the amount of property taxes that would have been imposed by the city and county if the properties were not subject to an exemption. Under the current statute, the PILOT must equal the amount of property taxes that would have been paid to the city and county if the property was not exempt. The actual reduction in not known and would depend on the actions of the City-County Council and the property owners.

*Bond Bank:* The bill allows charter schools designated by the mayor of Indianapolis to apply to the Indianapolis Bond Bank for funds and other charter schools to apply to the State Bond Bank. The provisions might save charter schools some financing costs and should have no state or local impact since the bond banks are body corporate and politic separate from Indianapolis and the State of Indiana.

**State Agencies Affected:** State Bond Bank.

**Local Agencies Affected:** Charter Schools; Indianapolis Bond Bank; Marion County.

**Information Sources:**